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DFD-1114-59

Copy 7 of 7

27 February 1959

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Weekly Contract Report

1. Pursuant to your request, attached is Report No. 1 covering contractual documents executed during the period 20 through 27 February 1959.

2. Messrs Kiefer and Kucera have been contacted concerning developments in their areas of interest which might have an effect on the Projection report in future months. The following covers their comments:

a. QUESTO - Apparently, model building difficulties (test) have resulted in a portion of CONVAIR's estimate being increased by approximately \$25,000; however, at this time, we are not aware of whether this overrun can be absorbed elsewhere in the estimate by an equivalent underrun.

b. CHALICE - Col. Geary has obtained seven J-75 P-2 engines from the Navy. Kelly Johnson is performing IRAN and J-75 installation in the No. 1 aircraft (total \$500,000, plus \$27,375 for spares). The IRAN cost on No. 1 aircraft will be approximately \$20,000 - \$40,000. Gene estimates cost for J-75 installation on #2, 3 and 4 to be at least \$600,000. Kelly Johnson estimates parts for 2, 3 & 4 at \$60 - 75,000.

c. CORONA - The program is facing a deficit of approximately \$1,162,000. This is tied in with an additional deficit of approximately \$1,091,000 on the White side. It is understood that the Air Force (Col. Evans) is taking care of the White deficit. Meetings were held on 26 & 27 February by the prime Contractor looking toward a meeting on 2 - 3 March at General Electric to determine extent of and timing required with regard to such deficits. Timing is important since G.E. apparently was out of funds on 26 February. It is imperative that a supplemental program approval be processed as soon as all fiscal facts are known and the DCI and the Bureau of the Budget approvals have been obtained.

Contracting Officer, DFD-DD/P

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REPORT #1 - Period 20 Feb. through 27 Feb. 1957

CORONA

<u>Contract or Amendment No.</u>	<u>Contractor</u>	<u>Scope</u>	<u>1959 Funds Obligated to Date</u>	<u>1959 Funds Obligated by this Document</u>	<u>Balance Available or Deficit of 1959 Funds in Budget for this Item</u>
JP-635	Eastman Kodak Co.	Development and Fabrication of Photo Processing and Exploitation equipment.	\$116,921	\$116,921	-0-

Approved by DCI under Program Approval COR-0345, Item 2(c)

CHALICE

Amendment #1 to TR-718	David Clark Co., Inc.	Services of technicians to make field evaluations and inspections of pilots personal equipment at bases on a semi-annual basis.	\$3,000	\$5,000	\$8,000 Deficit
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Work approved prior to initiation of Program Approval system. Projection Report No. 1 carries an item of \$8,000 (Total expected obligations at 30 June 1959). In view of the small amount involved, I executed this pending a decision by you as to whether on Chalice the column entitled "Total Expected Obligations at 30 June '59" or the "Budget FY-59" column is the control point on initiating additional Program Approvals for Chalice.

Amendment #15 to FP-1054	Eastman Kodak Co.	Provide for new film supplies and incorporate revised price list.	\$450,000	-0-	\$483,000 available
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No additional funding added.

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OTOMASIUM

<u>Contract or Amendment No.</u>	<u>Contractor</u>	<u>Scope</u>	<u>1959 Funds Obligated to Date</u>	<u>1959 Funds Obligated by this Document</u>	<u>Balance Available or Deficit of 1959 Funds in Budget for this Item</u>
Definitive HB-350	ITRK Corp.	Study and recommenda- tion re FIC/DCI func- tions and processes	\$40,000	\$18,499	\$3,036 (Agency money transferred from TSB)

AIR FORCE

Amendment #15 HF-2410	Eastman Kodak Co.	Provide for new film supplies and incorpor- ate revised price list.	\$1,000,000	-0-	Not applicable
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No additional funding added.